

**DATO' SRI MOHD NAJIB BIN TUN HAJI ABDUL RAZAK**  
**PERDANA MENTERI MALAYSIA**  
**PERSADA JOHOR INTERNATIONAL CONVENTION CENTRE, JOHOR BHARU, JOHOR**  
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**SPEECH AT 8TH WIEF : CHANGING TRENDS, NEW OPPORTUNITIES**

Bismillahirrahmanirahim

Assalamualaikum Warahmatullahi Wabarakatuh, A Very Good Morning and Salam Satu Malaysia.

His Excellency Ikililou Dhoinine;

President of the Union of Comoros,

His Excellency Tharman Shanmugaratnam;

Deputy Prime Minister and Minister of Finance of Singapore,

His Excellency Syed Naveed Qamar;

Minister Special Representative of the President of Pakistan,

His Excellency Dr. Hussain Al Abdulla;

Minister Special Representative of the Prime Minister of Qatar,

His Excellency Al Haj Murad Ebrahim;

Chairman, Moro Islamic Liberation Front,

His Excellency Tan Sri Dr Ahmad Mohamed Ali;

President of the Islamic Development Bank (IDB),

The Honourable Tun Musa Hitam;

Chairman of the World Islamic Economic Forum Foundation,

Your Excellencies,

Distinguished Guests,

Ladies and Gentlemen.

1. It gives me great pleasure to welcome you all to the 8th World Islamic Economic Forum. I must confess, the last time I spoke here in Johor, the audience were – how shall I put it – more dynamic. More energetic. More spirited. But you should not feel too bad: it was the opening of Asia's first Legoland, so the average age was somewhat lower!

2. As we gather here today, the world faces numerous challenges. The global macroeconomic outlook continues to be weak and uncertain. Pockets of prosperity enjoyed by a few countries provide little positive impact on the economic growth of the rest.

3. The US economic recovery is still underway. With no solution to the Eurozone crisis in sight, and poor growth, EU member states are suffering extended austerity measures and threats of separatism. China and India are both experiencing an economic slowdown. Countries affected by the 'Arab Spring' or, as some prefer to call it, 'Arab Awakening', have yet to complete reform needed to meet the growing expectations of their people. And few bright economic sparks are visible in Africa and Latin America.

4. Amidst the global gloom, developing Muslim countries continue to bear a heavy burden. Many are at the receiving end of policy decisions, with little or no power to influence the global economic agenda. Within such societies, often it is young people who bear the brunt of this inequality. Even in more prosperous countries, evidence suggests young people feel they do not have control over their own economic future.

5. So today, I want to talk about youth and opportunity in Islamic economies. About the changes facing young Muslims across the world, and the hidden wealth of young nations. About the power of economic and political reform to give young people the opportunity they aspire to. And about the challenges we must confront to unlock the true potential of the Ummah.

Ladies and Gentlemen,

6. Throughout history, Islamic societies have managed major trade routes and vital trade centres. During the Golden Age, Muslim traders established the Islamic Empire and the Arabic language as the predominant forces in world trade. The Ottoman, Safavid, and Mughal empires were economic powerhouses. And over the last century, research shows Islam has been good for growth: witness Turkey's rapid development, or Indonesia's sustained expansion. If Islam was corrosive to growth, Malaysia's economy would not have expanded on average (i.e. Compounded Annual Growth Rate) by 5.8% since 1991.

7. Islamic states are capable not just of economic dynamism, but financial innovation. From forward markets to microfinance, Islamic societies have long been at the cutting edge of capitalism. So, Islam is not a barrier to economic development.

8. Nor is it a barrier to vibrant democracy. As scholars haven noted, Islamic doctrine shows clear democratic thought – recognition of the equality of all believers, development of consultative rule, protection of private property, establishment of justice, celebration of learning, and tolerance of other faiths.

9. And yet, as we saw in the Arab Awakening, many young people cannot see opportunities for themselves. They do not feel they have control over their lives or a stake in their nations. Such pessimism can lead to disengagement, radicalism or emigration. While political freedom is important, it is economic opportunity that young people value most. We are losing some of our young people to apathy and extremism.

10. Our challenge, then, is to grasp the nature of opportunity. To understand what young people in Muslim societies aspire to, so we can help them achieve. To do so, we must understand the changes affecting their lives.

11. So what are these changes? The first is demographic. The Muslim world is experiencing a significant 'youth bulge': in 2010, 60% of Muslims were under 30. By 2030, Muslims will make up 26% of the world's population, but 30% of its youth.

12. What are the implications of this shift? In economic terms, a younger population brings greater pressures to bear on education, and creates a bigger labour force. That in turn requires high investment and capital to utilise the spare capacity. Young people who cannot find work erode family spending power – and government finances.

13. Further down the line, a big demographic change can warp fiscal policy for decades, as 'baby boomer' countries are discovering. But in social terms, the short term impact can be even greater. A youth bulge introduces latent energy into a nation's economy and society. If it is not tapped, it can become a destabilising force.

14. Work brings fulfilment: the feeling of playing an active part in society, and contributing to the community. It also develops the personal skills, self-esteem and discipline that are requisites for success in a competitive world. But with time on their hands and no prospects for employment, a generation of people is growing up without knowing that fulfilment or those skills. In 2010, youth unemployment in the Middle East was 25%; in North Africa, 24%. Unemployment at such levels is toxic. When young people lack opportunity, they grow restless and disenfranchised.

15. Often, sadly, it is more educated youth who miss out. The longer they are unemployed, the harder it is to find work. Careers are blunted as people take low-paid jobs: young people are most likely to be part of the working poor. Many put off starting a family; without a decent job, they cannot marry. And so they remain frustrated – unable to fully transition to adulthood, and denied their independence.

16. Dependency robs these young people of their dignity. With no economic stake in society, they can lose their sense of belonging. That can spill over into hostility to the state, and the institutions that sustain it. From 1970 to 2000, eight out of ten of countries experiencing new civil conflict had populations where 60% were under 30 – just as the Muslim world does today.

17. Muslim youth want economic opportunity. Our response must be to commit to building open and sustainable economies, with education and economic reform that allows our young people to pursue their ambitions. But to understand how those ambitions are framed, we must also understand the second great change in young people's lives: technology.

18. 21 years ago, there were no websites. Today, there are more than half a billion. In the space of one lifetime, the internet has gone from a tiny scientific community into one of the most potent development tools the world has ever known. The internet revolution has changed the way we think about knowledge, opening up opportunities that previously seemed inconceivable.

19. The age of information has its own generation: the digital natives, those who have only ever known a connected world. There are children leaving school now who do not remember life before the internet. The expectations they have – of access to information, and freedom to communicate – are completely different. They do not understand closed systems, or one-way Government. They expect information to be free, democracy to be responsive and communication to be global. They want to play an active role in the digital economy. And if they are not satisfied, they will tell the world in a heartbeat.

20. Great leaps in communication technology often foreshadow democratic developments. So it has proved with mobile internet and social media. Empowered by technology and emboldened by example, young people are able to compare the strengths and weaknesses of their democracies, and articulate their political needs to a global audience. Modern youth, and modern aspiration, is borderless.

21. This technological shift has implications for the economic sphere in which Muslim youth operate. But its political implications are greater still. We must understand and respond to the emergence of a new, cross-border political consciousness.

Ladies and Gentlemen,

22. These two forces – demography and technology – determine the nature of opportunity for our

youth. Socially and economically, young people in Islamic societies want freedom. But it is not the freedom my father's generation fought for – freedom from colonial oppression. In an age of self-determination and development, they want freedom of opportunity.

23. They want a world-class education, and the freedom to pursue the options it brings. They want to be active participants in new digital spaces. They want strong democratic institutions, and open and accountable government. And they want to play their part in civil society, to build a better nation with their own hands.

24. Our challenge is to stretch ourselves to deliver those freedoms without sacrificing tradition, stability or growth. By responding to the changes they face, we can engage Muslim youth with a clear vision of their future – and harness their untapped potential, for the benefit of all. That will require both leadership and reform.

25. First, we must focus on education. Although access is improving, young people find that their qualifications do not match the opportunities available in the job market. We need a greater emphasis on vocational and technical training, and on standards and outcomes, to ensure that learning unlocks opportunity rather than closing it off.

26. We must also continue to open up our economies. Each country in the Muslim world faces its own strengths and challenges; but as a general principle, we must build a more dynamic private sector, and boost our share of world trade. 23% of the world's population are Muslim, but OIC nations conduct just 8.3% of global trade. We have the headroom; we have the capacity; it is simply a matter of opening our economies. In so doing, we can make our nations more competitive, bringing higher value jobs, and stronger growth.

27. We should pursue structural reforms, to ensure that our economies can compete in the industries of the future. Here the youth are our guide: surveys show that Muslim youth identify the digital economy and green technology as significant in-demand sectors where they ought to have a natural advantage.

28. We must also respond to technological change: recalibrating the way we think about government, and the way we communicate with young people. Our starting point must be recognition of the fundamental principle of the internet: its autonomy. The internet thrives because it exists outside of the control of any one state or authority. It should remain that way. This does not mean unregulated behaviour, but independence. We should preserve the online space as one in which the free exchange of views is encouraged, in the best traditions of discourse.

29. We should open our minds to new opportunities in the digital economy. As microfinance and mobile banking has shown, the ability to manage money on the move helps young people gain financial independence and start businesses. We should do more of our business and banking online, and support our digital entrepreneurs.

30. We must also encourage moderation and the practice of tolerance. Polls show that young Muslims want a greater role for religion in public and political life. We should show that this trust is well deserved, by offering a vision of Islam that is moderate and tolerant. And we should embrace the new instruments of Islamic finance – although here I must declare an interest, because Malaysia leads the world in the issuing of sukuk bonds!

31. Finally, we must be prepared to invest in all of our young people – including women, whose unemployment numbers are consistently 10% higher than men. We must put our confidence in Muslim youth as full economic participants: as consumers, employees, and entrepreneurs. And we must be unafraid to encourage change in institutions which stifle young people's opportunities: reforming public services, supporting appointment by merit, and remaining ever vigilant against corruption.

32. Together, these changes will help us capitalise on our greatest resource: our youth. It is up to us to show leadership, and build economies that are prepared for the future. We must be willing to confront old assumptions and embrace new technologies; to open up our economies and reform our politics. This will not always be easy. There will be challenges and uncertainties. But reform is necessary, and history shows us it is right: the periods of greatest Islamic influence were the most intellectually open.

Ladies and Gentlemen,

33. As a developing country committed to economic reform, Malaysia has faced some hard choices already. We know we must improve public service delivery, and offer new opportunities to meet the growing expectations of our people. This World Islamic Economic Forum will explore these issues. The focus on nurturing the potential of our young entrepreneurs and business leaders is commendable, and I am the sessions on the democratization of education and the role of technology will be fascinating. So me leave you with one thought.

34. I believe we should see our youth not as a liability, but as an asset: an untapped resource that will allow us to develop and modernise. Managed properly, this resource can lay the foundations for great success. By focusing on economic and political reform, we can present a compelling vision of a future defined by opportunity, not dependency.

35. In so doing, I am sure that we can bring young people into the fold; giving them a meaningful stake in society. That is not only a powerful safeguard against disenfranchisement and extremism. It is our responsibility to the greatest Muslim generation that has ever lived.

Thank you.

Wabillahitaufig Walhidayah Wassalamualaikum Warahmatullahi Wabarakatuh.

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